



ARLENE BARRERA
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

December 11, 2019

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Arlene Barrera *Arlene Barrera*
Auditor-Controller

SUBJECT: **MEASURE B SPECIAL TAX REVENUE FUND FOR TRAUMA CENTERS,
EMERGENCY MEDICAL SERVICES, AND BIOTERRORISM RESPONSE**

Section 8 of the Los Angeles County Board of Supervisors (Board) Measure B Resolution requires the County Auditor-Controller to file an annual statement of financial activity with your Board no later than January 1st of each year. Accordingly, Attachment I reflects the Statement of Financial Activity for the Health Services Measure B Special Tax Fund for the Fiscal Year (FY) ended June 30, 2019. The Statement includes a summary of the amount of funds collected and expended pursuant to Measure B.

Section 8 also requires a status of projects required or authorized to be funded pursuant to Sections 3, 6, and 7 of the Resolution. Accordingly, Attachment II presents the Status of Measure B Projects for FY 2018-19 as provided by the Department of Health Services (DHS).

If you have any questions related to the Statement of Financial Activity please contact me, or your staff may call Rachelle Anema at (213) 974-8309. Questions related to the Status of Measure B Projects may be directed to Manal Dudar of DHS at (213) 288-7875.

AB:CY:EB:RA:cd

H:\Special Funds\Special Funds Unit\MEASURE B-BW9\FY2018-2019

Attachments

c: Sachi A. Hamai, Chief Executive Officer
Celia Zavala, Executive Officer, Board of Supervisors
Christina R. Ghaly, M.D., Director, Department of Health Services
Jeffrey Prang, Assessor
Keith Knox, Acting Treasurer and Tax Collector

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Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Statement of Financial Activity
For the Fiscal Year (FY) Ended June 30, 2019

Revenues:

Voter Approved Special Taxes - Current Year	\$ 275,418,619
Voter Approved Special Taxes - Prior Year	959,562
Penalties, Interest & Costs - Delinquent Taxes	866,577
Interest Earnings	2,539,967
Prior Years' Refund - County Trauma Intergovernmental transfer (IGT)	8,391,104 ^(a)
Prior Years' Refunds - Physician and Hospital Claims	199,794
Total Revenues	<u>\$ 288,375,623</u>

Current Year Expenditures:

Services and Supplies:

Non-County Trauma Hospitals (Direct Payment)

Trauma Center Services Agreement (TCSA)

Antelope Valley Hospital	\$ 6,086,182	
Ronald Reagan UCLA Medical Center	6,310,645	
"Stop the Bleed" Program (13 Hospitals)	<u>477,100</u>	
Total Non-County Public Trauma Hospitals		\$ 12,873,927

UCLA - Mobile Stroke Unit Pilot 618,000

Enhanced Trauma Access

County Fire Department - Air Ambulance Services	\$ 2,640,000	
Sheriff's Department - Air Search and Rescue	1,320,000	
City of Los Angeles Fire Dept.- Trauma Air Transport	<u>440,000</u>	
Total Enhanced Trauma Access		4,400,000

Los Angeles County Fire Department - Emergency Medical Services (EMS) Update 2018 Training 1,668,585

Physician Services for Indigents Program (PSIP)

PSIP - Trauma	\$ 1,374,314 ^(b)	
PSIP - Emergency Room	3,930,912 ^(b)	
PSIP - Refunds / Canceled Warrants	<u>(5,226)</u>	
Total PSIP		5,300,000

Auditor-Controller Services 769,318

Total Services and Supplies \$ 25,629,830

Other Charges - IGT:

IGT for non-County Trauma Hospitals - FY 2018-19 (TCSA) \$ - ^(c)

Total Other Charges -

Other Financing Uses - Operating Transfers Out:

County Hospitals

LAC+USC Medical Center	\$ 122,241,000	
Harbor-UCLA Medical Center	50,143,000	
Olive View-UCLA Medical Center	<u>36,138,000</u>	
Total County Hospitals		208,522,000

Public Health:

Bioterrorism

Salaries & Employee Expenses	\$ 7,650,709	
Other Operating Expenses	<u>2,211,291</u>	
		\$ 9,862,000

Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Statement of Financial Activity
For the Fiscal Year (FY) Ended June 30, 2019

Public Health (continued)			
Trauma Prevention Initiative - Base			
Salaries & Employee Expenses	\$	263,255	
Other Operating Expenses		<u>529,884</u>	
	\$		793,139
Trauma Prevention Initiative - Expansion			
Salaries & Employee Expenses	\$	183,353	
Other Operating Expenses		<u>1,328,849</u>	
			1,512,202
Risk Communication			
Salaries & Employee Expenses	\$	173,317	
Other Operating Expenses		<u>192,097</u>	
			365,414
Emergency Preparedness -			
Overtime for Environmental Health Strike Team			
Salaries & Employee Expenses	\$	406,056	
Other Operating Expenses		<u>93,944</u>	
			500,000
Emergency Preparedness - Equipment & Supplies		<u>3,337,669</u>	
Total Public Health			\$ 16,370,424
Emergency Medical Services			
Salaries & Employee Expenses	\$	1,747,380	
Other Operating Expenses		<u>8,620</u>	
	\$		1,756,000
Trauma & Emergency Medicine Information System (TEMIS)		<u>984,470</u>	
Total Emergency Medical Services			<u>2,740,470</u>
Total Other Financing Uses - Operating Transfers Out			<u>\$ 227,632,894</u>
Total FY 2018-19 Expenditures			\$ 253,262,724
Prior Year Expenditures:			
IGT for non-County Hospitals - FY 2017-18		\$ 34,545,437	
Reversal of prior year over-accrued PSIP expenditures		<u>(1,746)</u>	
Total Prior Year Expenditures			<u>34,543,691</u>
Grand Total Expenditures			\$ 287,806,415
Revenue Over Expenditures			569,208
Less: Contractual Obligations			
Prior Year Commitments as of July 1, 2018		\$ 34,546,369	
Outstanding Commitments as of June 30, 2019		<u>(41,503,275)</u> ^(c)	
Net Change in Contractual Obligations			<u>(6,956,906)</u>
Net Change in Fund Balance			\$ (6,387,698)
Available Fund Balance, July 1, 2018			<u>44,562,901</u>
Available Fund Balance, June 30, 2019			<u>\$ 38,175,203</u> ^(d)

Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Statement of Financial Activity
For the Fiscal Year (FY) Ended June 30, 2019

FOOTNOTES:

- (a) As a result of the Affordable Care Act, the State refunded prior year IGT payments for FY 2017-18 due to an increase of federal share in enhanced trauma payments.
- (b) Includes accrued expenditures of \$0.95 million and \$3.82 million for trauma and ER claims, respectively.
- (c) A FY 2018-19 encumbrance was established for the non-County trauma hospitals IGT totaling \$41.50 million and was paid to the State in July 2019.
- (d) As of June 30, 2019, the Board of Supervisor has approved the following requests and projects totaling \$15.16 million to be funded by prior year unspent and unallocated Measure B funds:

FY 2018-19 Measure B Advisory Board (MBAB) Requests	\$ 4.32 million
Office of Violence Prevention (OVP)	6.00 million
UCLA Mobile Stroke Unit	2.34 million
Level 1 Trauma Center Start-Up Costs	2.50 million
Total Obligations	<u>\$ 15.16 million</u>

In addition, it is estimated that the FY 2019-20 MBAB requests will require a maximum of \$13.00 million from Measure B, leaving \$10.02 million to support future funding of Pomona Valley Hospital Medical Center, OVP and any shortfalls in revenue projections.

Prepared by Los Angeles County:

Department of Auditor-Controller, Accounting Division

Department of Health Services, Finance

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2019**

COUNTYWIDE SYSTEM OF TRAUMA CENTERS: \$208.52 million allocated to County hospitals; \$54.38 million allocated to non-County hospitals

County Hospitals

A total of \$208.52 million in budgeted Measure B funds was allocated for trauma and emergency care services provided by the three County hospitals to eligible indigent patients as follows:

LAC+USC Medical Center	\$110.92 million
Harbor-UCLA Medical Center	54.48 million
Olive View-UCLA Medical Center	<u>43.12 million</u>
Total	<u>\$208.52 million</u>

Status: FY 2018-19 funds were distributed to the three County Hospitals based on actual unreimbursed costs at each hospital. On average, Measure B funding covered about 78.16% of the total unreimbursed trauma and emergency costs for the Department of Health Services (DHS).

LAC+USC Medical Center	\$122.24 million
Harbor-UCLA Medical Center	50.14 million
Olive View-UCLA Medical Center	<u>36.14 million</u>
Total	<u>\$208.52 million</u>

Non-County Hospitals

DHS extended the Trauma Center Services Agreement (TCSA) with 13 non-County hospitals with no payment terms for another year ending on June 30, 2019. On May 21, 2019, the Board of Supervisors (Board) approved the FY 2018-19 funding methodology for the total allocation of \$54.38 million in Measure B funds for the TCSA as follows: trauma services, \$53.90 million; and the "Stop the Bleed" program, \$0.48 million.

Trauma Services: Under the TCSA, \$41.50 million of Measure B funds will be used as an intergovernmental transfer (IGT) to draw down \$41.50 million** of federal Medi-Cal matching funds for eleven (11) private hospitals, and \$12.40 million as direct payments to Antelope Valley Hospital (AVH) and Ronald Reagan UCLA Medical Center (UCLA). As public hospitals, AVH and UCLA participate in a program that precludes them from receiving the Medi-Cal matching funds.

Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2019

** With the approval of Federal matching funds, the private trauma hospitals will receive an estimated additional \$41.50 million in supplemental Medi-Cal funding, bringing the total funding for the TCSA to \$95.88 million.

	<u>Measure B</u>	<u>Fed. Match</u>	<u>Total</u>
Trauma Services:			
AVH & UCLA	\$12.40 million	\$ 0 million	\$12.40 million
11 Private Hospitals	<u>41.50 million</u>	<u>41.50 million</u>	<u>83.00 million</u>
Subtotal	<u>\$53.90 million</u>	<u>\$41.50 million</u>	<u>\$95.40 million</u>
“Stop the Bleed” Program	<u>\$ 0.48 million</u>	<u>\$ 0 million</u>	<u>\$ 0.48 million</u>
Total	<u>\$54.38 million</u>	<u>\$41.50 million</u>	<u>\$95.88 million</u>

“Stop the Bleed” Program: This program is for education and training for life-threatening bleeding situations. Prior year unspent and unallocated Measure B funds were recommended by the Measure B Advisory Board (MBAB) and approved by the Board for County and non-County hospitals. A total of \$0.48 million was allocated for 13 non-County hospitals under the TCSA to cover the cost of training and supplies for the program.

Status: Direct payments of \$12.40 million were issued to AVH and UCLA and payments of \$0.48 million for the “Stop the Bleed” program were issued to 13 non-County hospitals.

Balance: At the close of FY 2018-19, \$41.50 million remained in the encumbrance awaiting the State’s instruction to send the IGT to California Department of Health Care Services (CDHCS) in FY 2019-20.

LEVEL I TRAUMA CENTER START-UP COSTS: \$2.50 million allocated

On March 8, 2017, the Board approved the allocation and rollover of \$2.50 million of FY 2016-17 unspent Measure B funds to reimburse the allowable start-up costs for the first hospital that attains a Level I Trauma Center designation in or adjacent to Service Planning Area (SPA) 6. This amount was included in the FY 2018-19 Adopted Final Budget.

Status: At the close of FY 2018-19, no expenditure was incurred.

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2019**

Balance: \$2.50 million was unexpended and rolled over to FY 2019-20 budget for reimbursement of the first hospital attaining a Level I Trauma Center designation by the tentative deadline of June 30, 2022.

PHYSICIAN SERVICES FOR INDIGENTS PROGRAM: \$5.30 million allocated

The FY 2018-19 Adopted Final Budget included an allocation of \$5.30 million from Measure B revenues to fund non-County physician trauma services provided to eligible indigent patients within Los Angeles County and non-County physician emergency services provided to eligible indigent patients with non-traumatic emergency conditions.

The status of these projects is as follows:

Status: At the close of FY 2018-19, net payments totaling \$0.53 million were issued to non-County physicians for trauma and emergency services, and \$4.77 million was established for accrued liabilities for trauma, and emergency room (ER) claims.

Balance: At the close of FY 2018-19, a \$4.77 million expenditure accrual was established to pay for pending claims in the next fiscal year.

TRAUMA ACCESS EXPANSION TO UNDERSERVED AREAS: \$4.40 million allocated

The FY 2018-19 Adopted Final Budget included \$4.40 million for expanded access to trauma services in order to maintain the infrastructure and facilitate the emergency air transport of trauma patients in the Antelope Valley, East San Gabriel Valley, San Fernando Valley, and Malibu. Air transport of trauma patients is sometimes necessary for these areas due to distance, traffic, weather conditions, etc. The budgeted funds were allocated as follows:

Los Angeles County Fire Department	\$2.64 million
Los Angeles County Sheriff's Department	1.32 million
City of Los Angeles Fire Department	<u>0.44 million</u>
Total	<u>\$4.40 million</u>

Status: A total of \$4.40 million was transferred from the Measure B fund to the following departments: the Los Angeles County Fire Department for expanding the delivery of paramedic air squad services to the Los Angeles County, \$2.64 million;

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2019**

the Los Angeles County Sheriff's Department for staffing and operational costs related to air search and rescue services in the Antelope Valley, \$1.32 million; the City of Los Angeles Fire Department for providing trauma air transport services in the San Fernando Valley and surrounding communities, \$0.44 million.

Balance: None

MOBILE STROKE UNIT PROGRAM: \$0.62 million allocated to UCLA

The Board motion dated June 26, 2017, directed DHS to allocate appropriations of \$1.46 million as a one-time Measure B funding to be used for the UCLA Medical Center Mobile Stroke Unit in a 30-month pilot and follow-up evaluation. Another Board motion dated March 12, 2019, directed DHS to allocate an additional \$1.74 million to UCLA Medical Center. The total allocation for this program is \$3.20 million. The FY 2018-19 Adopted Final Budget included the remaining unspent funds of \$0.62 million from the second year of the pilot.

Status: A payment of \$0.62 million was issued to UCLA in FY 2018-19.

Balance: None

BIOTERRORISM RESPONSE: \$9.86 million allocated

The FY 2018-19 Adopted Final Budget included an allocation of \$9.86 million to support the County's Public Health programs for bioterrorism preparedness activities and addressing the medical needs of people exposed to bioterrorism or chemical attacks.

Status: A total of \$9.86 million was transferred to the Department of Public Health (DPH) to cover the following actual costs incurred for the bioterrorism preparedness activities: salaries and benefits, \$7.65 million; equipment, supplies and expenses, \$2.21 million.

Balance: None

TRAUMA PREVENTION PROGRAM: \$0.79 million allocated

This allocation is to support the County's Public Health programs for trauma prevention activities in regions of the County that experience a disproportionately high burden of

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2019**

trauma. The FY 2018-19 Adopted Final Budget included an allocation of \$0.79 million, which consisted of an annual allocation of \$0.68 million and rollovers of \$0.05 million and \$0.06 million of unspent funds from FY 2016-17 and FY 2017-18, respectively.

Status: A total of \$0.79 million was transferred to DPH to cover the actual costs incurred for the trauma prevention activities.

Balance: None

VARIOUS PUBLIC HEALTH PROGRAMS: \$5.72 million allocated

On May 2, 2017, the Board approved the allocation of unspent and unallocated Measure B funds identified by DHS in FY 2016-17 to DPH for the one-time purchase of equipment and supplies in the amount of \$3.90 million for a variety of field-based emergency response situations that relate to terrorism or possible terrorism (biological, chemical, and nuclear). The Board also approved an allocation of Measure B funds to fund the following ongoing programs annually: \$1.33 million for Trauma Prevention Initiative expansion beginning in FY 2018-19; \$0.37 million for Risk Communications beginning in FY 2016-17; \$0.50 million for overtime costs of Environmental Health Strike Team members in response to possible terrorist events beginning in FY 2016-17; and approved rollover of any unspent funds to future fiscal years to fund DPH. The FY 2018-19 Adopted Final Budget included allocations of \$5.72 million.

The budgeted funds of \$5.72 million were allocated as follows:

Trauma Prevention Initiative Expansion	\$ 1.33 million
Trauma Prevention Initiative Expansion Rollover from FY 2017-18	0.18 million
Risk Communication	0.37 million
Environmental Health Strike Team	0.50 million
Emergency Preparedness Equipment Rollover from FY 2017-18	<u>3.34 million</u>
Total	<u>\$ 5.72 million</u>

Status: A total of \$5.72 million was transferred to DPH to cover actual expenditures.

Balance: None

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2019**

**Los Angeles County Fire Department Emergency Medical Service (EMS) Update
Training: \$1.79 million allocated**

On March 12, 2019, the MBAB recommended and the Board approved an allocation of \$1.79 million to support the Los Angeles County Fire Department for the EMS Update 2018 Training, which is required to maintain the standard of care for patients in the prehospital setting. The budget adjustment was made during FY 2018-19 to include this allocation.

Status: Approximately \$1.67 million was transferred to the Fire Department to cover actual costs.

Balance: The remainder was returned to Measure B fund.

EMERGENCY MEDICAL SERVICES AGENCY (EMS): \$1.76 million allocated

The FY 2018-19 Adopted Final Budget included an allocation of \$1.76 million to support the County's Emergency Medical Services (EMS) Agency for the administration and coordination of trauma and emergency services related to prehospital and hospital emergency care, including the care provided in, en route to, from or between acute care hospitals and other health care facilities.

Status: A total of \$1.76 million was transferred to the County's EMS Agency to cover the actual costs incurred for the administration and coordination of trauma services: salaries and benefits, \$1.76 million.

Balance: None

TRAUMA & EMERGENCY MEDICINE INFORMATION SYSTEM: \$0.99 million allocated

On June 6, 2017, the Board approved the allocation of unspent Measure B funds to cover the cost of the agreement with Lancet Technologies, LLC for the maintenance and support of the EMS Agency's Trauma and Emergency Medicine Information System (TEMIS) for FYs 2016-17 to 2018-19. The FY 2018-19 Adopted Final Budget included an allocation of approximately \$0.99 million.

**Measure B Special Tax Revenue Fund
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response
Status of Measure B Projects
For the Fiscal Year (FY) Ended June 30, 2019**

Status: \$0.99 million was transferred to the County's EMS Agency to cover the actual costs of TEMIS.

Balance: None

ADMINISTRATIVE COSTS: \$0.77 million allocated

The FY 2018-19 Adopted Final Budget included an allocation of \$0.77 million to cover the administrative costs incurred on the assessment, collection, and accounting services for the Measure B Special Tax revenues.

Status: Approximately \$0.77 million was transferred to the Auditor-Controller to cover the service costs for placement of direct assessments on secured tax roll and distribution of collections.

Balance: None

Prepared By:
Los Angeles County
Department of Health Services
Financial Operations, Special Funds
December 5, 2019